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SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY ASSESSMENT

Addendum

Trade Efficiency Assessment

Note by the UNCTAD secretariat

I. - Background

1. According to paragraph 94 of the Midrand final document, UNCTAD should pursue its preparatory work to encourage and support the conduct of assessments of the efficiency of trade-supportive services in developing countries. The goal of this exercise would be to develop and to apply indicators to measure the obstacles found, the efforts made and the results obtained by countries in the implementation of the UNISTE trade efficiency recommendations and of other actions aimed at enhancing the trade competitiveness of their enterprises.

2. Trade Efficiency Assessments (TEA), which the secretariat will carry out at the request of member States concerned, will reflect the intersectoral approach that defines the trade efficiency initiative, applying the tools developed through the work done in transport, Customs, banking and insurance etc. The core of a TEA will be the examination, from the traders' point of view, of the relevance of the trade efficiency recommendations to a country's trade environment, of their degree of implementation and of the measures that would be necessary to lower the barriers of entry into international trade faced by SMEs.

II. - Impact

3. The following are some of the expected benefits of conducting trade efficiency assessments:

(a) An exact evaluation of the areas in which progress is needed in developing countries and countries in transition in order to allow SMEs to benefit from the opportunities created by globalization and liberalization;

(b) Developing countries and economies in transition will be able to increase awareness among international traders, investors and the donor community of the efforts they have already made and the difficulties that they still face to make their traders more competitive. The TEA will become a tool to attract new trade, investment and financial support to their development processes;

(c) TEA will help countries and donors to identify critical areas for support in order to strengthen the competitiveness of the SME sector of developing countries and economies in transition;

(d) TEA will offer UNCTAD member States a practical instrument for the exchange of experiences in the area of trade efficiency;

(e) By providing practical examples of the benefits of the adoption of international norms and standards and of best practices, TEA will be a powerful tool for the promotion of such practices, norms and standards;

(f) As TEA will normally be conducted in cooperation with private-sector actors, it would facilitate a clearer mutual understanding of needs, expectations and constraints in the area of trade efficiency.

III. - Action

4. The implementation of the TEA will require the formulation of a set of standard indicators in the main areas of trade efficiency, based on the results of existing country studies, and on the experience gained by the secretariat in the implementation of its work programme in all the trade efficiency sectors. As the initiators of the trade efficiency, the UNCTAD secretariat should lead in this task, in which the UN/ECE and the ITC should be closely involved. These indicators should be tested over a two-year period, by carrying out a set of pilot TEAs at the request of interested governments. The secretariat should also build up partnerships with local and international private-sector actors who may be interested in supporting TEA, either technically or financially. The dissemination of the results obtained in the pilot TEAs will allow member States to consider using the conclusions of Trade Efficiency Assessments as an input to UNCTAD's intergovernmental dialogue.